

# CONVERTING FORECLOSURES INTO PERMANENT SUPPORTIVE HOUSING FOR HOMELESS PEOPLE AND HIGH UTILIZERS OF LA COUNTY HEALTH SYSTEM



# Initiative Goals

- **Improve the health and well-being** of vulnerable populations living with chronic homelessness, high rates of disability, and chronic health conditions.
- **Reduce cost to the public health system** for homeless individuals who remain hospitalized for greater lengths of time and/or have repeated and unnecessary contact with the public health and other support systems.
- **Restore Neighborhoods** by transforming blighted, foreclosed properties into clean, safe, energy efficient, affordable housing under good management.

# KEY PARTNERS

- Los Angeles Housing Department
- Housing Authority of the City of Los Angeles
- Restore Neighborhoods LA, Inc.
- County of Los Angeles Department of Health Services
- County of Los Angeles Department of Mental Health
- County of Los Angeles Department of Public Health

# The Project

- Fifteen Sites, 56 units, ranging from a 13 unit apartment complex to a single family house.
- All blighted and foreclosed properties purchased using NSP Funding.
- All 56 units receiving extensive rehabilitation and energy-efficiency improvements funded by NSP and coming on-line throughout 2012.

# Before and After Triplex, 1 Bedroom Apartments



# Funding Summary

56 units, 15 sites, 60 Clients

Capital	Average Per Unit	Total Cost
Site Acquisition Cost	\$100,000	\$5,500,000
Rehabilitation Cost	\$150,000	\$6,800,000
<b>LAHD Capital Costs</b>	<b>\$250,000</b>	<b>\$12,300,000</b>
<b>Operations</b>	<b>Annual Subsidy</b>	<b>Value Over 10 Years</b>
<b>HACLA Section 8 Vouchers</b>	<b>\$633,600</b>	<b>\$6,336,000</b>
<b>Health Services Funding</b>	<b>Annual Subsidy</b>	<b>Value Over 10 Years</b>
<b>DHS, DMH, DPH</b>	<b>\$616,318</b>	<b>\$6,163,180</b>



# Cost Savings Opportunity

- DHS provides inpatient services to approximately 2,300 patients annually who are homeless at a cost of almost \$70 million dollars.
- The average inpatient cost per homeless patient served is \$30,000 annually.
- The estimated denied days cost for patients who are homeless is approximately \$6 million annually.
- An evaluation of the Access to Housing for Health (AHH) program determined that housed clients used an average of \$32,000 per year less in DHS services in the year following housing as compared to the year before housing. For the proposed 56 units the cost avoidance would be \$1.8 million.

Note: The average annual cost to the County to provide housing and services in the proposed NSP project is \$10,272 per person.

# Discussion Topics

- What role can foreclosed properties play in the effort to end homelessness?
- How can these projects be financed in a post NSP world?
- What are the challenges in providing property management and support services in this semi-scattered site model?
- Are supportive housing advocates and providers taking advantage of private market apartment buildings to the maximum extent possible?



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